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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

¶1. Mideast

12. Iran

Key stories in the media:

The Jerusalem Post reported that Nabil ShaQath, a Fatah Central Committee member, listed 14 preconditions set yesterday by Fatah delegates meeting in Bethlehem to dialogue with Israel, among which:

no renewal of peace negotiations with Israel until all Palestinian prisoners are released from Israeli jails, all settlement-building is frozen, and the Gaza blockade is lifted. The newspaper quoted analysts as saying that the conditions are not binding on PA President Mahmoud Abbas, but also that they broadly accorded with the positions had Abbas had himself set out in an address to the gathering on Tuesday. The Jerusalem Post reported that the conference's unanimous resolution yesterday to hold Israel responsible for the death of Yasser Arafat Qleft Israeli officials annoyed and bemused, Q with Deputy PM Eli Yishai remarking there was a better chance of negotiations on Mars than in the region, and Deputy FM Danny Ayalon saying the conference was a "serious blow to peace." The Jerusalem Post reported that PM Netanyahu and DM Ehud Barak have stayed relatively quiet about the conferenceQs proceedings.

Channel 10-TV last night quoted Israeli Consul-General in Boston Nadav Tamir, a Qrespected veteran diplomat, Q as saying in a widely distributed internal memo addressed to the Foreign Ministry that PM Benjamin Netanyahu's attitude toward the Obama administration is causing Israel strategic damage, in the view of a senior Israeli diplomat in Boston. Media noted that Tamir's reported comment is a rare internal rebuke, highlighting the growing tension between Washington and Jerusalem. Tamir wrote that the public spat with the U.S. over the issue of a settlement freeze has alienated a "There are significant number of American Jewish supporters. political elements in America and Israel who oppose Obama on ideological grounds and are ready to sacrifice the special relationship between the two countries for the sake of their own political agendas." While Israel and America have long disagreed over the settlements, "there was always a measure of coordination between the governments," Tamir continued. "Nowadays, there is a sense in the United States that Obama is being forced to deal with obduracy from the governments of Iran, North Korea, and Israel. The administration is making an effort to play down the disagreements, and we are the ones who are actually making the differences public," Tamir added. Tamir also accused Netanyahu of endangering American Jewish backing for Israel by publicly sparring with the Obama administration over the construction of Jewish housing in the West Bank and East Jerusalem. A spokesperson for Netanyahu said Tamir's comments were not worthy of comment. A senior associate of the PM said that "this is an unprofessional document ... reflecting the writer's personal political views. It's a pity that an Israeli diplomat should launch an attack like this on Israel's policy and try to cause deliberate damage."

Makor Rishon-Hatzofe quoted visiting Congressman Eric Cantor as saying that aid to the Palestinians through UNRWA amounts to funding Hamas.

HaQaretz quoted senior Palestinian officials as saying yesterday that the U.S. administration will demand that Israel and the Palestinians address the issue of borders as the first step in the Middle East peace plan The Palestinian officials also said that the Americans will outline proposals for Israeli peace with Syria and Lebanon. The American plan will reportedly not specify step-by-step actions for an Israeli-Palestinian solution, but will address final status issues -- borders, Jerusalem, and refugees. The Americans will set a timetable of about a year and a half for the negotiations and demand the sides first solve the border issue, under the belief that this will lead to solutions for other issues, such as the settlements and water. Following that, the sides will discuss the other fundamental issues -- Jerusalem and the refugees. sources were quoted as saying that the negotiations between the Israelis and the Palestinians probably will be conducted in the presence of American officials, and that the U.S. administration is likely t present its plan before or during the U.N. Genera Assembly set for September. HaQaretz reported that Saeb Erekat, head of the PLO's negotiating tem, denied knowledge of the plan.

HaQaretz repored that four "rebel" legislators from the Labor Paty -- Eitan Cabel, Yuli Tamir, Amir Peretz, and Ophir Pines-Paz -- will meet next week to examine how they can profit from a recently-passed law making it easier for lawmakers to break away from their parties. Leading media quoted party chairman Ehud Barak as saying that the mandate is not theirs and that they should return it.

Major media reported that this week the Armored Corps announced that

the first active tank defense system, QWindbreaker,Q is now operational.

HaQaretz and The Jerusalem Post cited a report released yesterday by Human Rights Watch (HRW) that Hamas and other militant groups committed war crimes against Israel by besieging it with rockets during the three-week war in the Gaza Strip earlier this year. The 31-page report on Operation Cast Lead focuses on Hamas, after HRW and similar groups repeatedly accused Israel of war crimes.

The Jerusalem Post printed a Jewish Telegraphic Agency report that U.S. Jewish groups are divided over IsraelQs proposed ban on NGO funding.

The Jerusalem Post and other media reported on the Football Village of Hope, which brings Israeli and Palestinian children together for coexistence through soccer.

Leading media reported that Maj. Gen. Gad Shamni has been appointed military attache in Washington, replacing Benny Ganz, the incoming deputy IDF chief of staff.

Maariv and Israel Radio reported that the Transportation Ministry proposes to create a second international airport at the location of the Ramat David IAF base in the Jezreel Valley (northern Israel).

Maariv reported that Netanyahu will ask Germany to supply Israel with H1N1 virus vaccine. The media reported that the U.S. is the most likely prospective supplier of swine flu vaccine.

The media reported that, during a historic visit to the gay and lesbian association in Tel Aviv, where Saturday nightQs massacre occurred, PM Netanyahu affirmed the value of tolerance. Netanyahu said that the fact that somebody entered a youth center and perpetrated a serial murder qualified the events as a terrorist attack. A solidarity rally will take place at Rabin Square in Tel Aviv tomorrow night with the participation of President Shimon Peres, Education Minister Gideon SaQar (Likud), and Culture and Sport Minister Limor Livnat (Likud).

HaQaretz (English Ed.) reported that, hours after landing in Israel to start a new life here with his wife, 27-year-old Israeli-American Naftaly Schindler from Connecticut was arrested by the IDF in June for draft-dodging. The couple -- now rendered homeless because of the arrest -- claims that an IDF representative at the Israeli Consulate-General in New York had promised them this wouldn't happen.

______ <u>¶</u>1. Mideast:

Block Quotes:

¶I. "We Have a Partner"

The independent, left-leaning Ha'aretz editorialized (8/7): QFatah's new platform, and Chairman Mahmoud Abbas's speech, won sweeping support from the more than 2,200 delegates who came [to the movementQs convention] from throughout the Palestinian Diaspora. From Bethlehem, they sent Jerusalem an unequivocal message: The Palestinian national movement's strategic choice is still two states for two peoples.... The convention rejected the demand to recognize Israel as the Qstate of the Jewish people, Q as well as the idea of establishing a Palestinian state with temporary borders. It is a pity that its call for stronger ties with the Israeli peace camp was stained by the ugly hint that Israel had murdered Yasser Arafat. Both Fatah's platform and its chairman's speech made it clear that in the absence of real progress toward a two-state solution, the movement would switch to a struggle to establish a single binational state between the Mediterranean Sea and the Jordan River, or else unilaterally declare an independent state in the 1967 borders. The Palestinian public's avid interest in the convention, and the delegates' impressive attendance, testify that despite the numerous crises Fatah has undergone, it is still the leading popular political movement in the West Bank. The Israeli public and Israeli decision makers would do well to study the Bethlehem meeting's

resolutions seriously. It is only natural for Israel not to accept Fatah's platform, just as the Palestinian leadership objects to Likud's platform. But Fatah's approach to the peace process refutes the right-wing argument that Othere is no Palestinian peace partner. O The fate of the pragmatic national movement on the Palestinian side will depend largely on Israel's policy regarding the terms for resuming peace talks. This includes the issue of freezing the settlements, the gaps between the parties' positions on a final-status arrangement, and the extent of the international community's resolve to bridge these gaps.

II. "What, Me Worry?"

Diplomatic correspondent Aluf Benn wrote in HaQaretz (8/7): QThe most important ramification of the present [security] quiet is the fact that it reinforces Israelis' indifference toward any kind of peace process. Netanyahu's reference to a Qtwo-state solutionQ and Obama's pressure tactics to freeze West Bank settlements arouse little public interest. Israelis want peace and quiet. And that's what they have -- and without negotiations or peace accords. The scars of past hopes blown to smithereens, following the Oslo accords and Gaza disengagement, are still fresh; Israelis do not find peace talks tempting. The Qinternational communityQ considers peace and the occupation's end as self-understood values requiring no marketing. But that's not the way it works in Israel. After the bloody failures of the past, the public will have to be convinced to support a peace process in which its own government seems to be reluctant to become involved. Most Israelis take no interest in the settlements or the Qright of Jews to live wherever they like,Q but they also have no inherent desire to fly El Al through Saudi Arabian airspace, or to visit Morocco's Qinterests office.

III. "Cooing Obama while Looking Edgewise"

Senior op-ed writer Akiva Eldar commented in the independent, left-leaning Ha'aretz (8/7): QAbu Mazen prepares [Fatah] for a struggle over the Palestinian street, ahead of the presentation of U.S. President Barack ObamaQ peace outline... The effort to harness Fatah to the cooing campaign of Obama is costing Abu Mazen domestic criticism that he is trying to transform the organization into an American-Israeli satellite. But Netanyahu has rescued him.... [Mideast affairs specialist Dr. Matti Steinberg] says that the Qrefusal to recognize Israel as the state of the Jewish people has provided Abu Mazen with a trump card: the option of presenting himself as a man who does not go along with Israel and is not its collaborator.... Eventually, [the Palestinians] will present two alternatives to Israel: Instead of two states for two peoples, it will get one democratic state -- or a unilateral declaration of a Palestinian state in the Q67 borders with Jerusalem as its capital.... Fatah also gears up to the possibility that ObamaQs civil ways will not satisfy the Palestinians.

IV. "Illusions"

Diplomatic correspondent Ben Caspit wrote in the popular, pluralist Maariv (8/7): Q[Netanyahu] lets Peres run around the world; he doesnQt tell him Qno,Q but he certainly doesnQt tell him Qyes.Q He might wake up tomorrow morning with an agreement providing for a Palestinian state within interim borders -- with the consensus of the entire world, without NetanyahuQs consent. In such a situation, [Ehud] Barak and Peres will try to tempt him with [Kadima politician Shaul] Mofaz, by bringing Kadima into the coalition or by bringing in Mofaz with a splinter faction. Peres continues to act energetically. He did so at his meeting with U.S. National Security Advisor James Jones. PeresQs main problem is that the Palestinians are strenuously opposed to this plan and want a comprehensive agreement.

¶V. QAbandon ObamaQs Economic Titanic

Far-right Likud activist Moshe Feiglin wrote in the nationalist, Orthodox Makor Rishon-Hatzofe (8/7): QObama know no other reality than the television screens... When you throw oil into a campfire, small flames seem to appear for a moment. The real fire will materialize shortly. We may witness -- for the second time in a generation -- the instant collapse of a huge empire. Instead of linking IsraelQs economy to that Titanic, [Bank of Israel Governor Stanley] Fischer had better strive with all his force to move away from it.

<u>¶</u>2. Iran:

Block Quotes:

"Boycott Ahmadinejad"

The conservative, independent Jerusalem Post editorialized (8/7): QEven if Iranian elites remain divided over Ahmadinejad, this in no way diminishes the dangers represented by the country's nuclear program. If anything, Khamenei may have an incentive to accelerate the project to rally the nation and underscore the prowess of his leadership. But what if the cost of pursuing the bomb undermined his position?... Now, more than ever, [Iran] desperately needs international investment.... Yet the stakes are far too high to give up. Iran is not North Korea. The Obama administration should lead the civilized world in refusing to recognize the Ahmadinejad regime. It should offer to cooperate with any Iranian leadership that abandons nuclear weapons, ends support for terrorism, and frees political prisoners. Iran is the lynch-pin to President Barack Obama's hopes for a world that is free of nuclear weapons. Conversely, an Iranian nuclear bomb would unleash a new atomic arms race in the already volatile Middle East.

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